



Medical Cannabis Fee Revenue

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Overview

Revenue for Medical Cannabis comes into the state through fees for services that support various aspects of regulation. Fees collected by the Department of Health and Human Services from patient, business (pharmacy and couriers), and transaction fees (sales fees) are deposited into the Qualified *Patient* Enterprise Fund. Funds paid to the Department of Agriculture and Food for the cost of licensure by cultivators and processors are deposited into the Qualified *Production* Enterprise Fund.

Enterprise Funds are for programs to be ran akin to a private business enterprise, where the Legislature intends that the costs of providing goods or services to the public are financed or recovered primarily through user charges. These funds are not limited by appropriation and are therefore not typically found in appropriations bills (some exceptions exist including to provide a fund's revenue estimates for the budget year). Both Medical Cannabis Enterprise funds have a requirement of revenue neutrality. Figures reported in this brief for FY 2022 and FY 2023 are estimates that will change after year end close out.

Statewide Activity

	FY 2019	FY 2020	FY 2021	FY 2022 (est.)	FY 2023 (est.)
Patients	0	4,027	24,940	54,352	68,405
Qualified Medical Providers	0	391	355	370	355
Pharmacy Medical Providers	0	14	56	24	42
Pharmacy Agents	0	46	292	320	311
Courier Agents	0	0	31	85	128
Establishment Agents*	0	267	400	601	(None Provided)

*Counts include renewals

**Establishment refers to processors and cultivators.

	Grand Total - Medical Cannabis Statewide				
Fiscal Year	2019	2020	2021	2022 (est.)	2023 (est.)
General Fund Provided	\$5,400,000	\$0	\$0	\$0	\$0
General Fund Repaid	\$0	\$0	\$100,100	\$1,600,000	\$1,200,000
Total Revenues	\$5,551,300	\$2,352,100	\$5,535,000	\$7,324,200	\$7,465,375
Total Expenditures	\$419,600	\$2,832,700	\$3,265,100	\$5,287,141	\$6,906,800
Net Income	\$5,131,700	(\$480,600)	\$2,269,900	\$2,037,059	\$558,575
FTEs	4	13	19	23	24
Vehicles	0	0	3	3	9

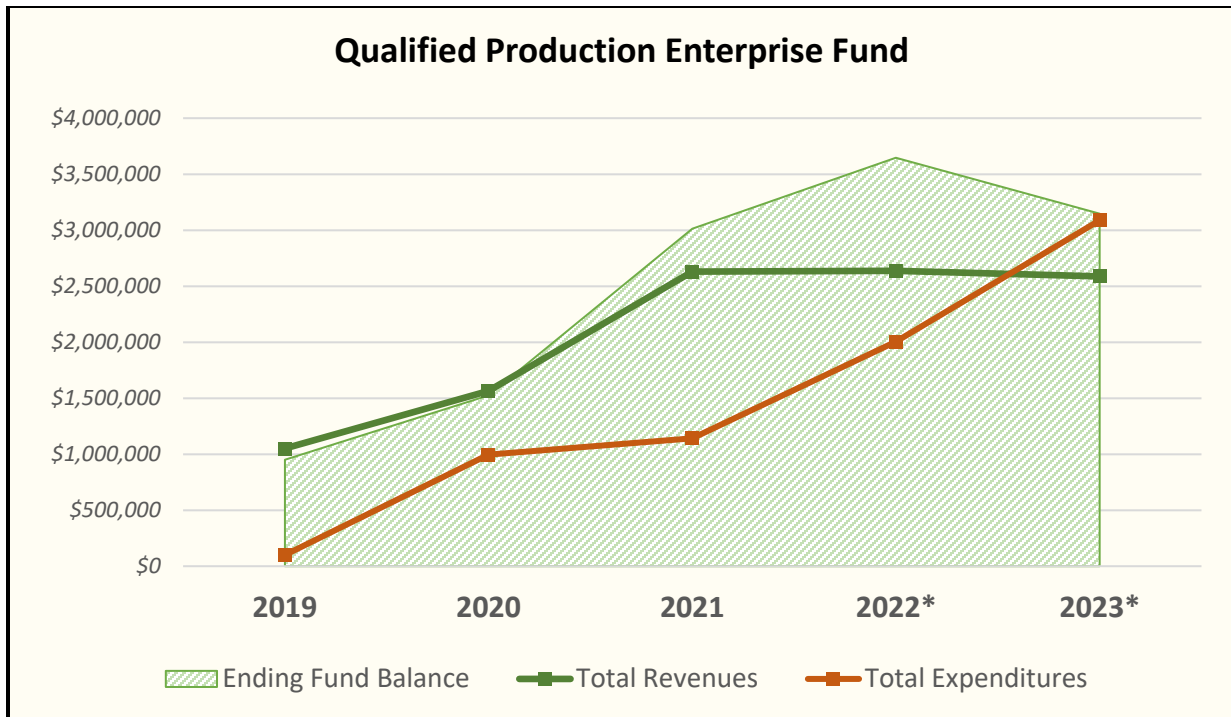


Qualified Production Enterprise Fund

Department of Agriculture and Food (Cultivators & Processors)

Revenue from citations/settlements is deposited into this fund and totaled \$61,230 through June 4th. Despite the estimate for 2023, the Department believes revenue will increase due to increased need for processors in the state, because some cultivators are still under their permitted production limits. The Department has offered that maintaining a balance in the fund is important for two reasons: 1) replacement of costly cannabis testing equipment (\$150,000+), 2) responding to emergency situations where extra staff are needed for enforcement actions (to seize and destroy products, etc.) The Department has not yet offered what an idea balance for the account might be.

	Agriculture (Qualified Production Enterprise Fund)				
Fiscal Year	2019	2020	2021	2022 (est.)	2023 (est.)
General Fund Provided	\$900,000	\$0	\$0	\$0	\$0
Business Fees	\$147,700	\$1,550,300	\$2,625,700	\$2,627,600	\$2,588,300
Patient Fees	\$0	\$0	\$0	\$0	\$0
Sales Fees	\$0	\$0	\$0	\$0	\$0
Interest Income	\$3,600	\$15,700	\$5,700	\$9,700	\$8,675
Total Revenues	\$1,051,300	\$1,566,000	\$2,631,400	\$2,637,300	\$2,596,975
Personnel Services	\$96,000	\$646,800	\$836,200	\$999,706	\$925,800
Travel	\$2,200	\$2,600	\$400	\$40,333	\$25,000
Current Expense	\$800	\$326,300	\$284,900	\$383,572	\$968,100
Data Processing Expenses	\$1,100	\$19,000	\$21,200	\$49,411	\$175,800
Other Charges/Pass Thru	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0	\$132,119	\$493,600
General Fund Repaid	\$0	\$0	\$0	\$400,000	\$500,000
Total Expenditures	\$100,100	\$994,700	\$1,142,700	\$2,005,141	\$3,088,300
Revenues - Expenditures	\$951,200	\$571,300	\$1,488,700	\$632,159	(\$491,325)
Ending Fund Balance	\$951,276	\$1,525,888	\$3,014,571	\$3,646,730	\$3,155,405
FTEs	0	5	9	8	8
Vehicles	0	0	3	3	9



Qualified Patient Enterprise Fund

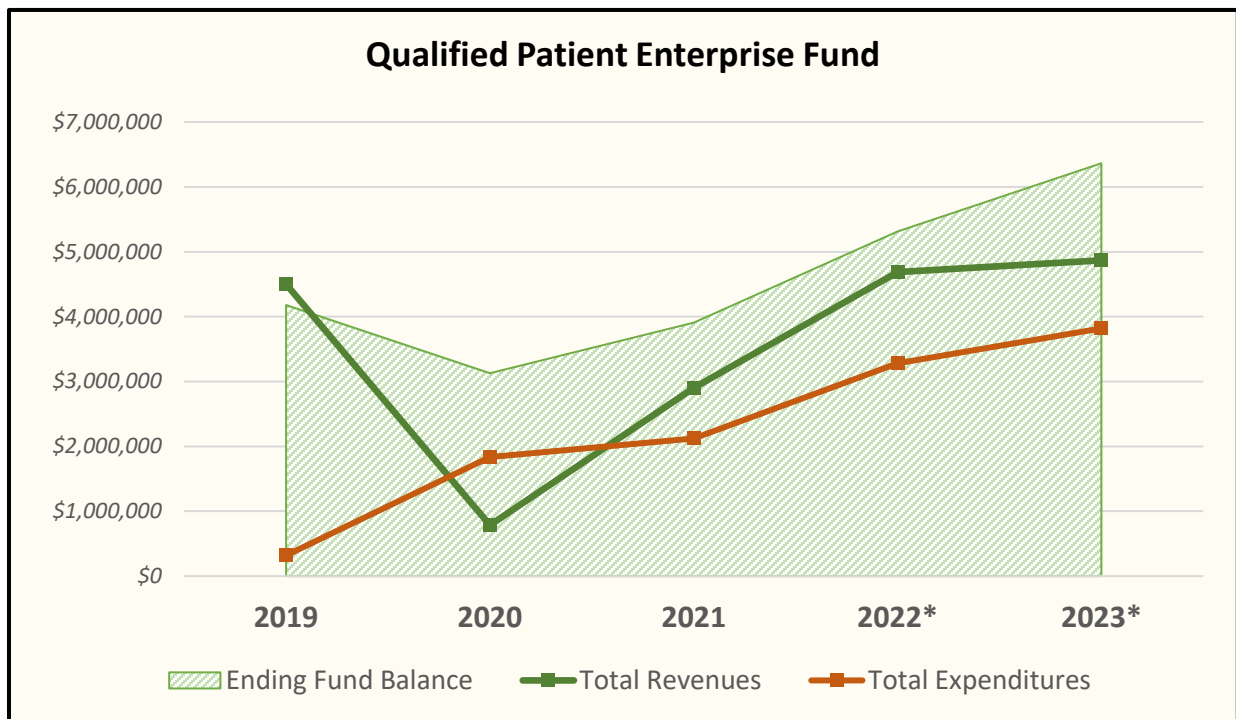
Department of Health and Human Services (Patients & Pharmacies)

Qualified Medical Providers (QMPs) are limited to either 275 or 600 patient referrals based on their qualifications as outlined in UAC [26-61a-106\(4\)](#). Currently, QMPs are at an estimated average of 155 patients each statewide, meaning that patient fees could be expected to increase in the future. Sales fees represents the revenue from the Uniform Transaction Fee of \$3, charged for every pharmacy purchase.

	Health (Qualified Patient Enterprise Fund)				
Fiscal Year	2019	2020	2021	2022 (est.)	2023 (est.)
General Fund Provided	\$4,500,000	\$0	\$0	\$0	\$0
Business Fees	\$0	\$544,800	\$945,300	\$969,100	\$986,800
Patient Fees	\$0	\$104,200	\$826,600	\$1,307,200	\$1,344,100
Sales Fees	\$0	\$80,400	\$1,116,100	\$2,390,400	\$2,520,000
Interest Income	\$0	\$56,700	\$15,600	\$20,200	\$17,500
Total Revenues	\$4,500,000	\$786,100	\$2,903,600	\$4,686,900	\$4,868,400
Personnel Services	\$287,200	\$720,200	\$880,800	\$1,226,000	\$1,700,000
Travel	\$5,600	\$9,000	\$1,200	\$5,500	\$15,700
Current Expense	\$8,100	\$45,700	\$109,300	\$264,500	\$354,500
Data Processing Expenses	\$18,600	\$974,000	\$926,600	\$410,000	\$848,300



Fiscal Year	2019	2020	2021	2022 (est.)	2023 (est.)
Other Charges/Pass Thru	\$0	\$89,100	\$104,400	\$176,000	\$200,000
Capital Outlay	\$0	\$0	\$0	\$0	\$0
General Fund Repaid	\$0	\$0	\$100,100	\$1,200,000	\$700,000
Total Expenditures	\$319,500	\$1,838,000	\$2,122,400	\$3,282,000	\$3,818,500
Revenues - Expenditures	\$4,180,500	(\$1,051,900)	\$781,200	\$1,404,900	\$1,049,900
Ending Fund Balance	\$4,180,500	\$3,128,500	\$3,909,700	\$5,314,600	\$6,364,500
FTEs	4	8	10	15	16
Vehicles	0	0	0	0	0



*Estimated

Sources

- <https://cobi.utah.gov/2022/3107/financials>
- <https://cobi.utah.gov/2022/3109/financials>
- <https://cobi.utah.gov/fund/5820>
- <https://cobi.utah.gov/fund/5810>
- Department of Health and Human Services
- Department of Agriculture and Food
- Data Warehouse



Medical Cannabis Fee Schedule

Department	Financial Category	Fee Name	Amount
Agriculture & Food	Business Fees	Medical Cannabis Cultivation License Fee	\$100,000.00
Agriculture & Food	Business Fees	Medical Cannabis Cultivation License Application Fee	\$2,500.00
Agriculture & Food	Business Fees	Medical Cannabis Processor Tier 1 License Fee	\$100,000.00
Agriculture & Food	Business Fees	Medical Cannabis Processor Tier 1 License Application Fee	\$1,250.00
Agriculture & Food	Business Fees	Medical Cannabis Processor Tier 2 License Fee	\$35,000.00
Agriculture & Food	Business Fees	Medical Cannabis Processor Tier 2 License Application Fee	\$1,250.00
Agriculture & Food	Business Fees	Medical Cannabis Establishment Agent Regist. Fee - Background Check Needed	\$150.00
Agriculture & Food	Business Fees	Medical Cannabis Establishment Agent Regist. Fee - No Background Check Needed	\$100.00
Agriculture & Food	Business Fees	Medical Cannabis Laboratory License Fee	\$15,000.00
Agriculture & Food	Business Fees	Medical Cannabis Laboratory License Application Fee	\$500.00
Agriculture & Food	Business Fees	Medical Cannabis Research University License	\$2,500.00
Agriculture & Food	Business Fees	Cannabinoid Testing	\$125.00
Agriculture & Food	Business Fees	Pesticide Testing	\$160.00
Agriculture & Food	Business Fees	Foreign Matter Testing	\$15.00
Agriculture & Food	Business Fees	Heavy Metal Testing	\$110.00
Agriculture & Food	Business Fees	Mycotoxin Testing	\$130.00
Agriculture & Food	Business Fees	Microbial Life Testing	\$120.00
Agriculture & Food	Business Fees	Residual Solvent Testing	\$110.00
Agriculture & Food	Business Fees	Terpenes Testing	\$110.00
Health & Human Services	Business Fees	FHP Background Check Fee (pass through)	\$20.00
Health & Human Services	Business Fees	DPS Background Check Fee (pass through)	\$33.25
Health & Human Services	Business Fees	Courier Owner Background Screening - FHP (pass through)	\$20.00
Health & Human Services	Business Fees	Courier Owner Background Screening - DPS (pass through)	\$33.25
Health & Human Services	Business Fees	Qualified Medical Provider Proxy Registration (Initial)	\$30.00
Health & Human Services	Business Fees	Qualified Medical Provider Proxy Registration (Renewal)	\$30.00
Health & Human Services	Business Fees	Application	\$2,500.00
Health & Human Services	Business Fees	License Urban	\$67,000.00
Health & Human Services	Business Fees	Home Delivery License Urban	\$69,500.00
Health & Human Services	Business Fees	License Rural	\$50,000.00
Health & Human Services	Business Fees	Home Delivery License Rural	\$52,500.00
Health & Human Services	Business Fees	Qualified Medical Provider Registration (Initial)	\$150.00
Health & Human Services	Business Fees	Qualified Medical Provider Registration (Renewal)	\$50.00
Health & Human Services	Business Fees	Pharmacy Medical Provider/Pharmacist Registration Fee (Initial)	\$150.00
Health & Human Services	Business Fees	Pharmacy Medical Provider/Pharmacist Registration Fee	\$50.00
Health & Human Services	Business Fees	Pharmacy Agent Registration (Initial or >= 1 Year Expired)	\$100.00
Health & Human Services	Business Fees	Pharmacy Agent Registration (Renewal)	\$50.00
Health & Human Services	Business Fees	Courier Application	\$125.00
Health & Human Services	Business Fees	Courier License (Initial)	\$2,500.00
Health & Human Services	Business Fees	Courier License (Renewal)	\$1,000.00
Health & Human Services	Business Fees	Courier Agent Registration (Initial or >= 1 Year Expired)	\$100.00
Health & Human Services	Business Fees	Courier Agent Registration (Renewal)	\$50.00
Health & Human Services	Patient Fees	Non-Utah Resident Patient Card (Initial)	\$15.00
Health & Human Services	Patient Fees	Non-Utah Resident Patient Card (Renewal)	\$15.00
Health & Human Services	Patient Fees	Non-Utah Resident Guardian and Provisional Card (Initial)	\$15.00



Department	Financial Category	Fee Name	Amount
Health & Human Services	Patient Fees	Non-Utah Resident Guardian and Provisional Card (Renewal)	\$15.00
Health & Human Services	Patient Fees	Guardian (already background screened as a Caregiver) and Provisional Card (Initial)	\$15.00
Health & Human Services	Patient Fees	Guardian (already background screened as a Caregiver) and Provisional Card (90 Days)	\$5.00
Health & Human Services	Patient Fees	Guardian (already background screened as a Caregiver) and Provisional Card (6 Month)	\$15.00
Health & Human Services	Patient Fees	Caregiver (already background screened as a Guardian) Registration and Card (Initial)	\$15.00
Health & Human Services	Patient Fees	Caregiver Registration (already background screened as a Guardian) and Card (Renewal)	\$5.00
Health & Human Services	Patient Fees	Patient Card (Initial)	\$15.00
Health & Human Services	Patient Fees	Patient Registration Renewal (90 Days)	\$5.00
Health & Human Services	Patient Fees	Patient Registration Renewal (6 Month)	\$15.00
Health & Human Services	Patient Fees	Guardian and Provisional Card (Initial or >= 1 Year Expired)	\$68.25
Health & Human Services	Patient Fees	Guardian and Provisional Card (90 Days)	\$5.00
Health & Human Services	Patient Fees	Guardian and Provisional Card (6 Month)	\$24.00
Health & Human Services	Patient Fees	Guardian (already background screened as a Guardian) and Provisional Card (Initial)	\$15.00
Health & Human Services	Patient Fees	Guardian (already background screened as a Guardian) and Provisional Card (90 Days)	\$5.00
Health & Human Services	Patient Fees	Guardian (already background screened as a Guardian) and Provisional Card (6 Month)	\$15.00
Health & Human Services	Patient Fees	Caregiver Registration and Card (Initial or >= 1 Year Expired)	\$68.25
Health & Human Services	Patient Fees	Caregiver Registration and Card (Renewal)	\$14.00
Health & Human Services	Patient Fees	Caregiver (already background screened as a Caregiver) Registration and Card (Initial)	\$15.00
Health & Human Services	Patient Fees	Caregiver Registration (already background screened as a Caregiver) and Card (Renewal)	\$5.00
Health & Human Services	Sales Fees	Uniform Transaction Fee	\$3.00